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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, FEBRUARY 11, 2002

STATE CORPORATION COMMISSION

v.

AIRCABLE OF ROANOKE, LLC,
DIGITAL BROADCAST CORPORATION
Defendants

CASE NO.SEC000069
CASE NO.SEC000072

SETTLEMENT ORDER

On October 27, 2000, the Commission issued a Rule to Show Cause in which the Division of Securities and Retail Franchising ("Division") alleged that Defendant AirCable of Roanoke, LLC ("AirCable") violated the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia by failing to submit documents to the Division pursuant to a validly issued Commission subpoena dated August 17, 2000. The hearing date for the subpoena enforcement hearing was set for November 29, 2000.

On November 9, 2000, the Division filed a motion styled "Motion for Temporary Injunction" which requested that the Commission immediately issue a temporary injunction against Defendants AirCable and its affiliate company, Digital Broadcast Corporation ("Digital"). Attached to the motion for temporary injunction was a staff affidavit listing the violations of the Act allegedly committed by the Defendants AirCable and Digital.

Commission's Hearing Examiner heard testimony and received evidence at the hearing with regard to the Rule to Show Cause and the Motion for Temporary Injunction on November 29, 2000.

On December 19, 2000, the Commission's Hearing Examiner issued his recommendations with regard to the pending matter:

(1) Adopting the Hearing Examiner's findings, including that AirCable failed to show justification for violating the Commission's subpoena;

(2) Imposition of a fine of \$5,000 for violation of the Commission's subpoena and a continuing fine of \$5,000 for each day AirCable failed to comply with said order. The fine was to begin one day after the Commission's ruling; and

(3) The Division provided a sufficient basis to establish that AirCable and Digital violated provisions of the Act and to maintain the status quo and prevent further violations of the Act that a temporary injunction was appropriate.

On January 25, 2001, the Commission issued an order granting the Motion for Temporary Injunction against AirCable and Digital and penalizing AirCable as recommended by the Hearing Examiner.

On February 21, 2001, AirCable and Digital, by counsel, filed a Notice of Appeal pursuant to Rule 5:21 (d) and (e) of the Rules of the Virginia Supreme Court.

On June 14, 2001, the Commission received its copy of the Petition for Appeal and request for Suspension of the Commission's Order filed with the Virginia Supreme Court on May 23, 2001.

On August 21, 2001, the Commission received notice from the Virginia Supreme Court that AirCable's and Digital's oral argument for its Petition for Appeal would be heard on August 30, 2001.

On August 27, 2001, the Commission received notice from counsel for AirCable and Digital that the Defendants had filed a motion with the Virginia Supreme Court withdrawing the appeal.

Beginning in late August 2001, Defendants, through counsel, have been conducting discussions with the Division in an effort to settle the cases ruled upon by the Commission and all matters pending against both AirCable and Digital. The Division agreed that the Defendants had substantially complied with the terms of the Commission's subpoena on November 13, 2001, owing the Commission a \$5,000 penalty and \$1,460,000 in continuing penalties for failure to comply with Commission's subpoena.

AirCable and Digital neither admit nor deny the allegations made against them in the Commission's Rule to Show Cause and Temporary Injunction, but admit the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against them, including all matters surrounding the offer and sale of securities to the date of the entry of this Order, AirCable and Digital have proposed and agree to comply with the following terms and undertakings:

(1) AirCable and Digital will refrain from any conduct that constitutes a violation of the Act or the Rules promulgated thereunder;

(2) AirCable and Digital will pay a penalty in the amount of one hundred thousand dollars (\$100,000) to the Commission pursuant to § 13.1-521 of the Act. Ten thousand dollars (\$10,000) will be submitted contemporaneously with the entry of this Order and the remaining ninety thousand dollars (\$90,000) will be paid within two years of the date of the entry of this Order; and

(3) AirCable and Digital will pay the Commission the sum of twenty-five hundred dollars (\$2,500) as reimbursement for the costs of the Division's investigation pursuant to § 13.1-518.

The Division has recommended that AirCable's and Digital's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, AirCable's and Digital's offer of settlement is accepted;

(2) AirCable and Digital fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-521 of the Act, AirCable and Digital will pay a penalty in the amount of one hundred thousand dollars (\$100,000), of which ten thousand dollars (\$10,000) will be filed contemporaneously with the entry of this Order and ninety thousand dollars (\$90,000) will be paid within two years of entry of this Order;

(4) Pursuant to § 13.1-518 of the Act, AirCable and Digital will pay to the Commission the amount of twenty-five hundred dollars (\$2,500) for the cost of the Division's investigation;

(5) The sum of twelve thousand five hundred dollars (\$12,500) tendered by AirCable and Digital is accepted; and

(6) The Commission shall retain jurisdiction in this matter for all purposes including, if necessary, the institution of a show cause proceeding or taking such other action it deems appropriate in the event that AirCable and Digital fail to comply with the terms and undertakings of the settlement.

COMMONWEALTH OF VIRGINIA
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CONSENT

The Defendants admit the jurisdiction of the Commission as to the party and subject matter and, without admitting or denying the allegations made herein by the Division of Securities and Retail Franchising, hereby consent to the form, substance, and entry of the foregoing Settlement Order.

The Defendants further state that no offer, tender, threat, or promise of any kind whatsoever has been made by the Commission, or any member, officer, agent, or representative thereof in consideration of the foregoing Settlement Order.

Dated: _____

AirCable of Roanoke, LLC

Digital Broadcasting Corporation